

Financial Regulation: Weekly Update

Matias Cabrera y Salvador Portillo
November 7, 2025

Highlights

1. EC consultation on market risk aspects of Fundamental Review of the Trading Book (FRTB)
2. EBA consults on guidelines on authorization of third-country branches under CRD
3. Mineco approves transposition of the revision to Solvency II
4. EBA publishes its final Guidelines on environmental scenario analysis
5. FRB finalizes changes to its supervisory rating framework for large bank holding companies

Global

FATF releases detailed guidance to help practitioners recover criminal assets

It [covers](#) key topics from modern financial investigations, and swiftly securing assets, to safeguarding rights and compensating victims with recovered funds.

IOSCO publishes final report on the Single-Name Credit Default Swaps Market

It [concludes](#) that the single-name CDS market remains illiquid, characterized by a limited number of intermediaries, and recommends greater post-trade transparency.

IOSCO publishes report on pre-hedging

It [defines](#) the practice, highlights potential issues, and offers recommendations for regulators. It aims to promote a consistent interpretation and ensure a level playing field globally.

IOSCO publishes report on ESG indices as benchmarks

It [compares](#) key characteristics and vulnerabilities, especially those relating to greenwashing, of ESG indices relative to traditional financial benchmarks.

IOSCO consultation on secondary markets disclosure principles

It [consults](#) to establish a clear disclosure framework for jurisdictions setting or reviewing their securities regulations, promoting greater clarity regarding disclosures. Deadline: Feb 3, 2026.

IOSCO statement on high-quality valuation information

It [emphasizes](#) the need for international consistency of high-quality valuation information included in financial reporting to provide investors with relevant and reliable financial information.

European Union

EC consultation on market risk aspects of Fundamental Review of the Trading Book (FRTB)

It [consults](#) on the introduction of targeted amendments and multipliers to offset the negative capital impacts arising from the FRTB implementation for three years. Deadline: Jan 6, 2026.

EBA consults on guidelines on authorization of third-country branches under CRD

It [covers](#) the content, the assessment, the relevant templates and forms concerning the application for authorization, as well as the applicable process. Deadline: Feb 3, 2026.

EBA publishes its final Guidelines on environmental scenario analysis

It [strengthens](#) institutions' ability to use forward-looking approaches for assessing and managing environmental risks and complements the existing EBA Guidelines on the management of ESG risks.

EBA reports on subsidiaries of non-EU banks and EU banks' exposures in foreign currencies

They [show](#) that the market share of non-EU banks' subsidiaries amounts to 9.8% of total assets in 2024 (10.17% in 2023) and that EU banks hold 32% of their exposures in foreign currencies.

EBA advises the EC on the foundations of the new AML/CFT framework

It [responds](#) to the EC's Call for Advice on the key components of the new AML framework. It puts forward a risk-based and proportionate approach supporting the swift and effective start of AMLA.

EBA publishes report on the benchmarking of national loan enforcement frameworks

It [highlights](#) dispersion across loan categories and among EU members. It underscores the importance of improving the legal framework and judicial capacity to optimize loan recovery.

EBA publishes an update of the mapping and signposting tools

It [includes](#) an updated Mapping Tool and a new version of the Signposting Tool and the Time Traveller Platform to reflect recent changes to the Pillar 3 disclosure and supervisory frameworks.

ESRB issues report on Credit Default Swaps

It [reveals](#) imperfections in this market. The formation of CDS spreads is driven by low volumes traded between a limited number of counterparties and there are information asymmetries.

Spain

Mineco approves transposition of the revision to Solvency II

It [improves](#) the solvency regime for insurers and reinsurers and affects its three pillars: financial and capital requirements, system of governance, supervisory action, and transparency.

United Kingdom

PRA and FCA publish joint guidelines for the Berne Financial Services Agreement

They clarify [expectations](#) and operational considerations for firms providing cross-border financial services between the UK and Switzerland under the new BFSa, a mutual recognition framework.

United States

FRB finalizes changes to its supervisory rating framework for large bank holding companies

The [framework](#) will consider a firm with no more than one deficient-1 rating to be "well managed". A firm with a deficient-2 rating for any component will continue to be considered not well managed.

SEC issues exemptive order for compliance with certain rules under Regulation NMS

Temporary relief granted on [compliance dates](#) for certain rules, including minimum pricing increment and access fee caps, to facilitate orderly market functions.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Proposed reforms to reinvigorate securitization in the EU*. September 2025
- [Press Article](#). *EU financial sector: competitiveness, simplicity, deregulation?* September 2025
- [Press Article](#). *Why do we need simpler rules?* August 2025
- [Press Article](#). *Financial conglomerates: It really depends*. May 2025

Previous edition of our Weekly Financial Regulation Update in [English](#).

DISCLAIMER

The present document does not constitute an “Investment Recommendation”, as defined in Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (“MAR”). In particular, this document does not constitute “Investment Research” nor “Marketing Material”, for the purposes of article 36 of the Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (MIFID II).

Readers should be aware that under no circumstances should they base their investment decisions on the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

This document has been prepared by BBVA Research Department. It is provided for information purposes only and expresses data or opinions regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

The content of this document is protected by intellectual property laws. Reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process is prohibited, except in cases where it is legally permitted or expressly authorised by BBVA on its website www.bbvarresearch.com.